

**1. Review and re-adopt Board rules in accordance with Texas Government Code, Section 2001.039, and simultaneously propose the repeal of Sections 21.401-21.410 and propose new Sections 21.401-21.408, concerning the Texas College Work-Study Program**

Chapter 21. Student Services

Subchapter M. TEXAS COLLEGE WORK-STUDY PROGRAM

Section

- 21.401. Authority and Purpose.
- 21.402. Definitions.
- 21.403. Institutions.
- 21.404. Eligible Students.
- 21.405. Eligible Employers.
- 21.406. Award Amounts and Uses
- 21.407. Allocations and Reallocations.
- 21.408. Dissemination of Information and Rules.

21.401. Authority and Purpose.

(a) Authority. Authority for this subchapter is provided in the Texas Education Code, Chapter 56, Subchapter E. These rules establish procedures to administer the subchapter as prescribed in the Texas Education Code, Sections 56.071 through 56.078.

(b) Purpose. The purpose of the Texas College Work-Study Program is to provide eligible students with jobs, funded in part by the State of Texas, to enable those students to attend eligible institutions of higher education in Texas.

21.402. Definitions.

The following words and terms, when used in this subchapter, shall have the following meanings, unless the context clearly indicates otherwise:

- (1) Board – The Texas Higher Education Coordinating Board.
- (2) Commissioner – The Commissioner of Higher Education, the Chief Executive Officer of the Board.
- (3) Cost of attendance – A Board-approved estimate of the expenses incurred by a typical financial aid student in attending a particular college or university. It includes direct educational costs (tuition, fees, books, and supplies) as well as indirect costs (room and board, transportation, and personal expenses).
- (4) Encumbered funds – Program funds that have been offered to a specific student, which offer the student has accepted, and which may or may not have been disbursed to the student.
- (5) Expected family contribution – The amount of discretionary income that should be available to a student from his or her resources and that of his or her family, as determined following the federal methodology.

(6) Financial need – The cost of attendance at a particular public or private institution of higher education less the expected family contribution. The cost of attendance and family contribution are to be determined in accordance with Board guidelines.

(7) Half-time student – For undergraduates, a person who is enrolled or is expected to be enrolled for the equivalent of six or more semester credit hours. For graduate students, a person who is enrolled or is expected to be enrolled for the equivalent of 4.5 or more semester credit hours.

(8) Program Officer – The individual named by each participating institution's chief executive officer to serve as agent for the Board. The Program Officer has primary responsibility for all ministerial acts required by the program, including maintenance of all records and preparation and submission of reports reflecting program transactions. Unless otherwise indicated by the administration, the director of student financial aid shall serve as Program Officer.

(9) Resident of Texas – A resident of the State of Texas as determined in accordance with Chapter 21, Subchapter B, of this title (relating to Determining Residence Status). Nonresident students who are eligible to pay resident tuition rates are not residents of Texas.

21.403. Institutions.

(a) Eligibility.

(1) Any public, private, or independent institution of higher education as defined by Texas Education Code, Section 61.003, except a theological or religious seminary, is eligible to participate in the program.

(2) No institution may, on the grounds of race, color, national origin, gender, religion, age, or disability exclude an individual from participation in, or deny the benefits of the program described in this subchapter.

(3) Each participating institution must follow the Civil Rights Act of 1964, Title VI (Public Law 88-353) in avoiding discrimination in admissions.

(b) Approval.

(1) Agreement. Each approved institution must enter into an agreement with the Board, the terms of which shall be prescribed by the Commissioner.

(2) Approval Deadline. An institution must be approved by April 1 in order for qualified students enrolled in that institution to be eligible to receive grants in the following fiscal year.

(c) Responsibilities.

(1) Probation Notice. If the institution is placed on public probation by its accrediting agency, it must immediately advise work-study award recipients of this condition and maintain evidence in each student's file to demonstrate that the student was so informed.

(2) Disbursements to Students.

(A) Documentation. The institution must maintain records to prove the receipt of program funds by the student or the crediting of such funds to the student's school account.

(B) Procedures in Case of Illegal Disbursements. If the Commissioner has reason for concern that an institution has disbursed funds for unauthorized purposes, the Board will notify the Program Officer and financial aid director and offer an opportunity for a hearing pursuant to the procedures outlined in Chapter 1 of this title (relating to Agency Administration). Thereafter, if the Board determines that funds have been improperly disbursed, the institution shall become primarily responsible for restoring the funds to the Board. No further disbursements of work-study funds shall be permitted to students at that institution until the funds have been repaid.

(3) Reporting.

(A) Requirements/Deadlines. All institutions must meet Board reporting requirements in a timely fashion. Such reporting requirements shall include reports specific to allocation and reallocation of grant funds (including the Financial Aid Database Report) as well as progress and year-end reports of program activities.

(B) Penalties for Late Reports.

(i) An institution that postmarks or electronically submits a progress report a week or more after its due date will be ineligible to receive additional funding through the reallocation occurring at that time.

(ii) The Commissioner may penalize an institution by reducing its allocation of funds in the following year by up to 10 percent for each progress report that is postmarked or submitted electronically more than a week late.

(iii) The Commissioner may assess more severe penalties against an institution if any report is received by the Board more than one month after its due date. The maximum penalty for a single year is 30 percent of the school's allocation. If penalties are invoked in two consecutive years the institution may be penalized an additional 20 percent.

(C) Appeal of Penalty. If the Commissioner determines that a penalty is appropriate, the institution will be notified by certified mail, addressed to the

Program Officer and copied to the financial aid director. Within 21 days from the time that the Program Officer receives the written notice, the institution must submit a written response appealing the Board's decision, or the penalty shall become final and no longer subject to an appeal. An appeal under this section will be conducted in accordance with the rules provided in Chapter 1 of this title (relating to Agency Administration).

(4) Program Reviews. If selected for such by the Board, participating institutions must submit to program reviews of activities related to the Texas College Work-Study Program.

21.404. Eligible Students.

(a) To be eligible for employment in the work-study program a person must:

- (1) be a Texas resident as defined by Board rules;
- (2) be enrolled for at least the number of hours required of a half-time student, and be seeking a degree or certification in an eligible institution; and
- (3) establish financial need in accordance with Board procedures.

(b) A person is not eligible to participate in the work-study program if the person:

- (1) concurrently receives an athletic scholarship;
- (2) is enrolled in a seminary or other program leading to ordination or licensure to preach for a religious sect or to be a member of a religious order.

21.405. Eligible Employers.

An eligible institution may enter into agreements with outside employers to participate in the program. To be eligible to participate, an employer must:

- (1) provide part-time employment to an eligible student in nonpartisan and nonsectarian activities;
- (2) provide, insofar as is practicable, employment to an eligible student that is related to the student's academic interests;
- (3) use Texas college work-study program positions only to supplement and not to supplant positions normally filled by persons not eligible to participate in the work-study program; and
- (4) provide not less than 30 percent of an employed student's wages and 100 percent of other employee benefits for the employed student from sources other than federal college work-study program funds, if the employer is a nonprofit entity; or
- (5) provide not less than 50 percent of an employed student's wages and 100 percent of other employee benefits for the employed student, if the employer is a profit-making entity.

21.406. Award Amounts and Uses.

(a) Funding. Funds awarded through this program may not exceed the amount appropriated by the Legislature for that purpose, plus matching funds provided by the students' employers.

(b) Award Amount. No award amount shall exceed a student's financial need.

(c) Uses. No work-study funds earned through this program may be used for any purpose other than for meeting the cost of attending an approved institution.

(d) Over awards. If, at a time after an award has been offered by the institution and accepted by the student, the student receives assistance that was not taken into account in the student's estimate of financial need, so that the resulting sum of assistance exceeds the student's financial need, the institution is not required to adjust the award under this program unless the sum of the excess resources is greater than \$300.

21.407. Allocation and Disbursement of Funds.

(a) Allocations. The Board shall allocate work-study funds to participating institutions in proportion to the financial need of the students at each school. At the beginning of each year or upon request by the institution, the year's full allocation or funds needed for immediate disbursement to students will be provided to each participating institution for use in reimbursing students for their work.

(b) Reallocations. Institutions will have until a date specified by the Board via a policy memo addressed to the Program Officer at the institution to encumber all funds allocated to them. On that date, institutions lose claim to their unencumbered funds and the unencumbered funds are available to the Board for reallocation to other institutions. If necessary for ensuring the full use of funds, subsequent reallocations may be scheduled until all funds are awarded and disbursed.

(c) Unless given specific permission by the Board to use funds for summer awards, schools will be required to utilize their state work-study funds for employment during the nine-month academic year (fall and spring terms).

22.408. Dissemination of Information and Rules.

The Board is responsible for publishing and disseminating general information and program rules for the program described in this subchapter.

**2. Review and re-adopt Board rules in accordance with Texas Government Code, Section 2001.039, and simultaneously propose the repeal of Sections 21.281-21.288 and propose new Sections 21.281-21.287, concerning the Good Neighbor Scholarship Program**

Chapter 21. Student Services

Subchapter K. THE GOOD NEIGHBOR SCHOLARSHIP PROGRAM

Section

- 21.281. Authority and Purpose.
- 21.282. Definitions.
- 21.283. Eligible Institutions.
- 21.284. Eligible Students.
- 21.285. Selection Procedures.
- 21.286. Award Amount.
- 21.287. Dissemination of Information and Rules.

21.281. Authority and Purpose

(a) Authority. Authority for this subchapter is provided in the Texas Education Code, Subchapter B, Tuition Rates. These rules establish procedures to administer the program authorized in Section 54.207, Students from Other Nations of the American Hemisphere, more commonly known as the Good Neighbor Scholarship Program.

(b) Purpose. The purpose of the Good Neighbor Scholarship Program is to encourage academically talented students from the countries of the Western (American) hemisphere to pursue higher education in the State of Texas, thus establishing a beneficial link between the State of Texas and the home countries of the students.

21.282. Definitions.

The following words and terms, when used in this subchapter, shall have the following meanings, unless the context clearly indicates otherwise:

- (1) Board – The Texas Higher Education Coordinating Board.
- (2) Commissioner – The Commissioner of Higher Education, the Chief Executive Officer of the Board.
- (3) Eligible country – A politically independent nation, other than Cuba and the United States, located in the Western, or American hemisphere.
- (4) Native-born citizen of an eligible country – A person who is a citizen of an eligible country and who was born in that country.
- (5) Resident of an eligible country – A person who is a citizen of a country and has that country as his or her place of home residence and who intends to return to that country to live immediately after finishing the educational program for which this scholarship will be used.

(6) Scholastically qualified – Meets the basic admissions requirements of the nominating institution and maintains satisfactory progress toward a degree.

21.283. Eligible Institutions.

(a) Texas public institutions of higher education are eligible to participate in the Good Neighbor Scholarship Program.

(b) Program Officer. The chief executive officer at each participating institution shall name the principal international student advisor or another appropriate person to serve as the Good Neighbor Scholarship Program Officer. The Program Officer shall certify all scholarship applications and activities with respect to the Good Neighbor Scholarship Program and shall be responsible for all related records and reports.

21. 284. Eligible Students.

To be eligible for a Good Neighbor Scholarship a person must:

- (1) be a bona fide native-born citizen and resident of an eligible country;
- (2) have resided in the Western (American) Hemisphere for a period of at least five years;
- (3) demonstrate that he or she is scholastically qualified for admission to the nominating institution;
- (4) not be a member of the Communist Party;
- (5) be recommended for a scholarship by an eligible institution; and
- (6) not be eligible for a waiver of nonresident tuition fees.

21. 285. Selection Procedures.

Each year eligible institutions may submit scholarship recommendations (applications) to the Board. Applications for the 12-month awards must be submitted to the Board no later than March 15.

(1) Prioritization. Participating institutions will assign priority numbers to their applicants, so that if all applicants cannot receive scholarships the Board will know which applicants are given highest priority by the nominating institutions. Within the confines of the basic allotment formula the Board will do its best to accommodate institutional priorities.

(2) Basic allotment. From the pool of valid applications submitted, the Board shall select:

- (A) up to 10 students per eligible country, plus
- (B) 35 students from a Latin American country designated by the United States Department of State.

(3) Reallocation of unused scholarships. In the event any nation fails to have 10 students available and qualified for scholarships or if the designated country fails to have 35 such students, the Board may allocate such unused scholarships as determined appropriate, with priority being given to students from Mexico, except that the total of all scholarships shall not exceed 235 in a year. If an institution notifies the Board by October 15 of a selected student's failure to use the offered scholarship, the Board will offer the scholarships to the first statewide alternate for that country. Awards canceled after October 15 will be allowed to lapse.

21.286. Award Amount.

Students selected to receive awards through the Good Neighbor Scholarship Program may be exempted from the payment of tuition for the 12-month period beginning with the fall semester following the students' selection as recipients.

21.287. Dissemination of Information and Rules.

The Board is responsible for publishing and disseminating general information and program rules for the program described in this subchapter.

---

**3. Review and re-adopt Board rules in accordance with Texas Government Code, Section 2001.039, and simultaneously propose the repeal of Sections 21.950-21.960 and propose new Sections 21.950-21.960, concerning the Early High School Graduation Scholarship Program**

Chapter 21

Subchapter CC. Early High School Graduation Scholarship Program

Section	
21.950.	Authority and Purpose.
21.951.	Definitions.
21.952.	Institutions.
21.953.	Eligible Students.
21.954.	The Application and Awarding Process.
21.955.	Source of Funding.
21.956.	Award Amounts and Processing Cycle.
21.957.	Reimbursements.
21.958.	Refunds.
21.959.	Hardship Provisions.
21.960.	Dissemination of Information and Rules.

21.950. Authority and Purpose.

(a) Authority. Authority for this subchapter is provided in the Texas Education Code, Subchapter K, Early High School Graduation Scholarship Program. These rules establish procedures to administer the subchapter as prescribed in the Texas Education Code, Sections 56.201 through 56.209.

(b) Purpose. The purpose of the Early High School Graduation Scholarship Program is to increase the efficiency of the Foundation School Program and provide financial assistance to eligible students.

21.951. Definitions.

The following words and terms, when used in this subchapter, shall have the following meanings, unless the context clearly indicates otherwise:

- (1) Board – The Texas Higher Education Coordinating Board.
- (2) Commissioner – The Commissioner of Higher Education, the Chief Executive Officer of the Board.
- (3) High school graduate – An individual who has completed the requisite number of units, the prescribed courses, the examinations and other requirements and has received, or is eligible to receive, a high school diploma from a public high school in Texas.
- (4) Institutional aid – Funds which have not originated from any government source.
- (5) Program Officer – The individual named by each participating institution's chief executive officer to serve as agent for the Board. The Program Officer is responsible for all activities with respect to the program, including all records and reports reflecting program transactions. Unless otherwise indicated by the administration, the director of student financial aid shall serve as Program Officer.
- (6) Resident of Texas – A resident of the State of Texas as determined in accordance with Chapter 21, Subchapter B, of this title (relating to Determining Residence Status). Nonresident students who are eligible to pay resident tuition rates are not residents of Texas.

21.952. Institutions.

(a) Eligibility.

- (1) Any public institution of higher education as defined by Texas Education Code, Section 61.003, is eligible to participate in the Early High School Graduation Scholarship Program. Private or independent institutions as defined by Texas Education Code, Section 61.003, are eligible only if they agree to provide scholarship recipients with at least an equal amount of institutional aid.
- (2) No institution may, on the grounds of race, color, national origin, gender, religion, age or disability exclude an individual from participation in, or deny the benefits of the program described in this subchapter.
- (3) Each participating institution must follow the Civil Rights Act of 1964, Title VI (Public Law 88-353) in avoiding discrimination in admissions.

(b) Approval.

(1) Agreement. Each approved institution must enter into an agreement with the Board, the terms of which shall be prescribed by the Commissioner.

(2) Approval Deadline. An institution must be approved by April 1 in order for qualified students enrolled in that institution to be eligible to receive grants in the following fiscal year.

(c) Responsibilities.

(1) Probation Notice. If the institution is placed on probation by its accrediting agency, it must immediately advise scholarship recipients of this condition and maintain evidence in each student's file to demonstrate that the student was so informed.

(2) Disbursements to Students.

(A) Documentation. The institution must maintain records to prove the receipt of program funds by the student or the crediting of such funds to the student's school account.

(B) Procedures in Case of Illegal Disbursements. If the Commissioner has reason for concern that an institution has disbursed funds for unauthorized purposes, the Board will notify the Program Officer and financial aid director and offer an opportunity for a hearing pursuant to the procedures outlined in Chapter 1 of this title (relating to Agency Administration). Thereafter, if the Board determines that funds have been improperly disbursed, the institution shall become primarily responsible for restoring the funds to the Board. No further disbursements of scholarships shall be permitted to students at that institution until the funds have been repaid.

(3) Reporting. Each participating institution must meet Board reporting requirements, in particular the submission of the Financial Aid Database Report, in a timely fashion.

(4) Program Reviews. If selected for such by the Board, participating institutions must agree to submit to program reviews of activities related to the Early High School Graduation Scholarship Program.

21.953. Eligible Students.

(a) To receive an award through the Early High School Graduation Scholarship Program, a student who graduated from high school before September 1, 2003 must:

(1) be a resident of Texas;

(2) graduate from a Texas public high school within thirty-six months of his/her original enrollment, having completed all years of high school in Texas;

(3) have written approval to graduate early from a parent or person standing in parental relation to the student; and

(4) not be a recipient of \$1000 through the Tuition Credit Program in operation in 1993 and 1994.

(b) To receive an award through the Early High School Graduation Scholarship Program, a student who graduated from high school after September 1, 2003 must:

(1) be a resident of Texas;

(2) have attended high school only in Texas;

(3) have successfully completed the Recommended or Advanced High School Program established under Texas Education Code, Section 28.025, unless the principal or other authorized representative of the student's high school indicates on the student's transcript and exemption program application that the courses in the Recommended or Advanced High School Program which the student did not complete were unavailable to the student at the appropriate time in his or her high school career because of:

(A) course scheduling;

(B) lack of enrollment capacity; or

(C) another cause not within the person's control, an explanation for which is provided on the transcript by the official;

(4) have graduated:

(A) in not more than 41 consecutive months, in which case the student must provide written approval of a parent or person standing in parental relation to the student; or

(B) in not more than 46 consecutive months, if the student graduated with at least 30 hours of college credit.

(5) A student's eligibility to receive a tuition credit under the Early High School Graduation Scholarship Program begins with the first regular semester or term following the student's graduation, exclusive of summer sessions that immediately follow the student's graduation. A student's eligibility to receive a tuition credit under the program ends six years after it begins, unless the student seeks and is granted an extension under Section 21.960 of this title (relating to Hardship Extensions).

#### 21.954. The Application and Awarding Process.

(a) Application forms and instructions developed by the Board will be distributed primarily through school district offices throughout the state. The Board will also provide them to financial aid offices of approved institutions, and students will be able to request the forms directly from the Board.

(b) The application has three parts. It must be completed and signed by the high school counselor or principal on behalf of the student applicant.

(1) Parts I and III are to be completed for all applicants who graduated prior to September 1, 2003.

(2) Parts I, II, and III are to be completed for all applicants who graduated after September 1, 2003.

(c) High school counselors or principals are to send the completed and signed applications to the Board for processing.

(d) Applications will be processed by the Board as they are submitted by the high schools.

(e) As soon as possible after processing applications, the Board will notify the relevant institutions, students and school districts of the students' eligibility for awards.

(f) Institutions must confirm that the student is a resident of Texas before they can grant a scholarship through the program outlined in this subchapter.

(g) If the student chooses to attend an institution other than the one indicated in the application, he or she should advise the Board of the change and the Board will send the new institution a letter of eligibility and an award may be made at that institution after the student's residency is confirmed.

21.955. Source of Funding.

Amounts sufficient to reimburse colleges for scholarships awarded to students who meet the eligibility requirements of the program will be drawn from funds appropriated for Foundation School Program allocations and transferred to the Board by the Commissioner of Education.

21.956. Award Amounts and Processing Cycle.

(a) Amounts for students graduating prior to September 1, 2003.

(1) The aggregate amount of state tuition credit that shall be awarded to a student through this program may not exceed the least of:

(A) \$1,000; or

(B) the sum of \$1,000 minus the amount the student received through the Tuition Credit Program; or

(C) for students attending eligible private or independent institutions of higher education, the amount of institutional tuition gift assistance that the institution agrees to offer during the same enrollment period to match the state award.

(2) If a tuition and fee credit awarded through the Early High School Graduation Scholarship Program is more than the amount of the student's first semester's tuition plus, if applicable, mandatory fees, the balance of the student's award may be used in subsequent semesters.

(3) A disbursement in any given term or semester may be applied only to reduce the student's tuition for any courses taken, except that students enrolled in continuing education courses for which the institution does not receive state funding may not use their tuition credit for such courses.

(b) For students whose graduation date is after September 1, 2003:

(1) the aggregate amount of tuition credit that may be awarded to a student through this program is:

(A) \$2,000 if the student completed the Recommended or Advanced High School Program and graduated from high school in 36 consecutive months or less and an additional \$1,000 if the person graduated with at least 15 hours of college credit; or

(B) \$500 if the student completed the Recommended or Advanced High School Program and graduated from high school in more than 36 consecutive months but not more than 41 consecutive months and an additional \$1,000 if the person graduated with at least 30 hours of college credit; or

(C) \$1,000 if the student completed the Recommended or Advanced High School Program and graduated from high school in more than 41 consecutive months but not more than 46 consecutive months with at least 30 hours of college credit.

(D) A student who is attending a private or independent institution may not receive a greater state tuition credit in any enrollment period than the amount of institutional aid that is provided by the institution and credited in the same manner, during that enrollment period.

(2) The tuition credit award may be applied to reduce the student's tuition and mandatory fees for any courses taken, except that students enrolled in continuing education courses for which the institution does not receive state funding may not use their tuition credit for such courses.

(c) Form of Award -- Exemption or Reimbursement.

(1) If applications are processed and announced in time, institutions should exempt recipients from the payment of relevant charges and then request reimbursement from the Board.

(2) If applications are processed and/or announced too late for the student to be exempted from such payments at registration, the student may be required to pay these charges first, and then be reimbursed by the institution when reimbursement funds are received from the Board.

21.957. Reimbursements.

(a) Source of Funding. The funds used to reimburse institutions or students for awards made through the Early High School Graduation Scholarship program will come from the state's Foundation School Fund.

(b) Requesting Reimbursements. To request reimbursement for student awards, institutions must complete and submit a Request for Reimbursement Form designed and distributed by the Board. Such forms must be submitted to the Board with sufficient documentation (student billing information) to confirm that the requests are being made for authorized charges.

(c) Disbursements by the Board. The Board will process institutional Requests for Reimbursement at least once a month and will subsequently have appropriate amounts transferred to institutions by the State Comptroller's office. Such funds are to be used by the institutions either to reimburse itself (if it exempted the students from the payment of the relevant charges) or to reimburse students for the relevant charges they paid to the institution.

(d) Transfers from the Foundation Program. At least once a year the Board will request a transfer of funds from the foundation school fund for use in reimbursing institutions or students for their Early High School Graduation Scholarship program awards.

21.958. Refunds.

The institution attended by an Early High School Graduation Scholarship program award recipient who withdraws from a class or drops classes during the term for which the award was made will be expected to make a refund to the Early High School Graduation Scholarship Program for an amount calculated in accordance with the institution's general refund policies.

21.959. Hardship Provisions.

An otherwise eligible student who graduated from high school on or after September 1, 2003, and who is unable to use his or her scholarship within the allotted six years may petition the Board for an extension. Such extensions, not to exceed one year, may be granted on the basis of hardships or other good causes, including but not limited to:

- (1) a severe illness or other debilitating condition; or
- (2) responsibility for the care of a sick, injured, or needy person.

21.960. Dissemination of Information and Rules.

The Board is responsible for publishing and disseminating general information and program rules for the program described in this subchapter.

**4. Review and re-adopt Board rules in accordance with Texas Government Code, Section 2001.039, and simultaneously propose the repeal of Sections 21.990-21.999 and propose new Sections 21.990-21.994 concerning the Texas National Student Exchange Program**

Chapter 21. Student Services

SUBCHAPTER EE. TEXAS NATIONAL STUDENT EXCHANGE PROGRAM

Section

- 21.990. Authority and Purpose.
- 21.991. Definitions.
- 21.992. Eligible Students.
- 21.993. Tuition Charges
- 21.994. Testing Waiver.

- 21.990. Authority and Purpose.

(a) Authority. Authority for this subchapter is provided in the Texas Education Code, Section 51.930, the National Student Exchange Program. These rules establish procedures to administer the Exchange Program.

(b) Purpose. The purpose of the National Student Exchange Program is to provide reciprocal educational opportunities for undergraduate students of colleges and universities in the United States.

- 21.991. Definitions.

The following words and terms, when used in this subchapter, shall have the following meanings, unless the context clearly indicates otherwise:

- (1) Board – The Texas Higher Education Coordinating Board.
- (2) National Student Exchange – The student exchange program administered by National Student Exchange.
- (3) Undergraduate – A student who has not received a baccalaureate degree.

- 21.992. Eligible Students.

To participate in the National Student Exchange Program:

- (1) a student from a Texas institution must be an undergraduate attending a Texas general academic teaching institution as defined in the Education Code, Section 61.003(3), that is under contract with the National Student Exchange to participate in the program.

(2) a student from an institution outside the State of Texas must be an undergraduate enrolled in an institution under contract with the National Student Exchange to participate in the program.

(3) a student may not participate in the program for more than one year.

21.993. Tuition Charges.

Out-of-state students attending Texas institutions under the provisions of the National Student Exchange are eligible to pay the resident tuition rate while attending the Texas institution as an exchange participant.

21.994. Testing Waiver.

A student participating in the program from another state shall be exempt from the provisions of Texas Education Code §51.3062 (Success Initiative) unless that student becomes a degree-seeking undergraduate student at a Texas public institution of higher education.

---

**5. Review and re-adopt Board rules in accordance with Texas Government Code, Section 2001.039, simultaneously propose the repeal of Sections 21.1080-21.1089 and propose new Sections 21.1080-21.1089, concerning the Educational Aide Exemption Program**

Chapter 21. Student Services

Subchapter II. Educational Aide Exemption Program

Section

- 21.1080. Authority and Purpose.
- 21.1081. Definitions.
- 21.1082. Institutions.
- 21.1083. Eligible Students.
- 21.1084. The Application and Awarding Process.
- 21.1085. Special Considerations if Funding is Limited.
- 21.1086. Award Amounts and Processing Cycle.
- 21.1087. Reimbursements.
- 21.1088. Exemption from Student Teaching.
- 21.1089. Dissemination of Information and Rules.

21.1080. Authority and Purpose.

(a) Authority. Authority for this subchapter is provided in the Texas Education Code, Chapter 54, Subchapter B, Tuition Rates. These rules establish procedures to administer the subchapter as prescribed in the Texas Education Code, Section 54.214, relating to an exemption for educational aides.

(b) Purpose. The purpose of the Educational Aide Exemption Program is to encourage certain educational aides to complete full teacher certification by providing need-

based exemptions from the payment of tuition and certain mandatory fees at Texas public institutions of higher education.

21.1081. Definitions.

The following words and terms, when used in this subchapter, shall have the following meanings, unless the context clearly indicates otherwise:

- (1) Board – The Texas Higher Education Coordinating Board.
- (2) Commissioner – The Commissioner of Higher Education, the Chief Executive Officer of the Board.
- (3) Cost of attendance – A Board-approved estimate of the expenses incurred by a typical financial aid student attending a particular college or university. It includes direct educational costs (tuition, fees, books, and supplies) as well as indirect costs (room and board, transportation, and personal expenses).
- (4) Expected family contribution – The amount of discretionary income that should be available to a student from his or her resources and that of his/her family, as determined following the federal methodology.
- (5) Financial need – An indication of a student's inability to meet the full cost of attending a college or university, measured by one of the following methods:
  - (A) The cost of attendance at a particular public or private institution of higher education less the expected family contribution. The cost of attendance and family contribution are to be determined in accordance with Board guidelines; or
  - (B) An income methodology, which considers a student to have financial need if his or her adjusted gross annual income is less than income levels set annually by the Commissioner. If the student is a dependent, the family's adjusted gross family income is considered; if the student is independent, only the student's income (and the income of the student's spouse, if he or she is married) are considered.
- (6) Program Officer – The individual named by each participating institution's chief executive officer to serve as agent for the Board. The Program Officer has primary responsibility for all ministerial acts required by the program, including maintenance of all records and preparation and submission of reports reflecting program transactions. Unless otherwise indicated by the administration, the director of student financial aid shall serve as Program Officer.
- (7) Resident of Texas – A resident of the State of Texas as determined in accordance with Chapter 21, Subchapter B, of this title (relating to Determining Residence Status). Nonresident students who are eligible to pay resident tuition rates are not residents of Texas.

21.1082. Institutions.

(a) Eligibility.

(1) Any public institution of higher education as defined by Texas Education Code, Section 61.003, is eligible to participate in the Educational Aide Exemption Program.

(2) No institution may, on the grounds of race, color, national origin, gender, religion, age or disability exclude an individual from participation in, or deny the benefits of the program described in this subchapter.

(3) Each participating institution must follow the Civil Rights Act of 1964, Title VI (Public Law 88-353) in avoiding discrimination in admissions.

(b) Approval.

(1) Agreement. Each approved institution must enter into an agreement with the Board, the terms of which shall be prescribed by the Commissioner.

(2) Approval Deadline. An institution must be approved by April 1 in order for qualified students enrolled in that institution to be eligible to receive grants in the following fiscal year.

(c) Responsibilities.

(1) Probation Notice. If the institution is placed on probation by its accrediting agency, it must immediately advise scholarship recipients of this condition and maintain evidence in each student's file to demonstrate that the student was so informed.

(2) Disbursements to Students.

(A) Documentation. The institution must maintain records to prove the receipt of program funds by the student or the crediting of such funds to the student's school account.

(B) Procedures in Case of Illegal Disbursements. If the Commissioner has reason for concern that an institution has disbursed funds for unauthorized purposes, the Board will notify the Program Officer and Financial Aid Director and offer an opportunity for a hearing pursuant to the procedures outlined in Chapter 1 of this title (relating to Agency Administration). Thereafter, if the Board determines that funds have been improperly disbursed, the institution shall become primarily responsible for restoring the funds to the Board. No further disbursements of scholarships shall be permitted to students at that institution until the funds have been repaid.

(3) Reporting. Each participating institution must meet Board reporting requirements, in particular the submission of the Financial Aid Database Report, in a timely fashion.

(4) Program Reviews. If selected for such by the Board, participating institutions must submit to program reviews of activities related to the Educational Aide Exemption Program.

21.1083. Eligible Students.

To receive an award through the Educational Aide Exemption Program, a student must:

- (1) be a resident of Texas;
- (2) have at least one school year of experience as an educational aide during the five years preceding the term or semester for which the student receives the exemption;
- (3) be employed in some capacity by a school district in Texas during the school year for which the student receives the award;
- (4) show financial need;
- (5) be enrolled in courses required for teacher certification at the institution granting an exemption under this subchapter or (if enrolled in lower-level course-work), sign a statement indicating an intention to become certified as a teacher and teach in Texas;
- (6) meet the academic progress standards of the institution; and
- (7) follow application procedures and schedules as indicated by the Board.

21.1084. The Application and Awarding Process.

(a) Application forms and instructions developed by the Board will be distributed primarily through school district offices throughout the state. The Board will also provide forms to financial aid offices of approved institutions and students may request the forms directly from the Board.

(b) The application has three parts that must be completed prior to the form's submission to the Board for processing.

(1) Part I is to be completed by the student applicant, who shall then forward the application to an authorized officer of the school or school district in which the applicant is employed.

(2) Part II is to be completed and signed by the school or school district authorized officer, who shall then forward the application to the financial aid office of the institution the applicant is attending.

(3) Part III is to be completed by the Program Officer at the institution, who shall then forward the application to the Board for processing.

(c) Applications will be processed by the Board as they are submitted by the institutions. Priority deadlines for submitting applications for the fall-spring terms and for the

summer term will be announced in the instructions distributed with the applications. Applications received after those deadlines will be given consideration only if funds remain available after all applications received by the deadline have been processed.

(d) As soon as possible after processing applications, the Board will notify the relevant institutions, students and school districts of their awards.

21.1085. Special Considerations if Funding is Limited.

(a) Allotment of Acceptable Applications. If funding is limited, the Board will limit the number of applications that may be submitted by an institution. This allotment will be announced to the institutions at least a month prior to the deadline for submitting applications.

(b) Recipient Selection. If funding is limited such that the Board cannot fund all applications submitted by approved institutions, the Board will select recipients on the basis of the following criteria:

- (1) the financial need of the student;
- (2) the number of years the student has been employed as an educational aide;
- (3) the priority assigned each applicant by the institution; and
- (4) the student's anticipated date for certification as a teacher.

(c) The number of awards made each year will depend on the funding available for reimbursing institutions for the exemptions they grant. No institution is required to award an exemption for which reimbursement funds are not available.

21.1086. Award Amounts and Processing Cycle.

(a) Amounts. Students receiving awards through the Educational Aide Exemption Program shall be exempted from the payment of (or reimbursed for) tuition and required fees, other than laboratory and class fees, for courses taken during the relevant term.

(b) Form of Award – Exemption or Reimbursement.

(1) If applications are processed and announced in time, institutions should exempt recipients from the payment of such charges and then request reimbursement from the Board.

(2) If applications are processed and/or announced too late for the student to be exempted from such payments at registration, the student may be required to pay these charges first, and then be reimbursed by the institution once reimbursement funds are received from the Board.

(c) Unique Requirements for Each Term.

- (1) Fall awards are made on the basis of the original fall/spring application.

(2) Spring awards are based on the original fall/spring application. If the student was not a recipient during the fall term, the original application functions as a stand-alone spring application. If the applicant also received a fall award, the spring award will not be released until the school or school district confirms that it will still be employing the applicant in the spring term.

(3) Summer awards are to be based on a summer application that will be distributed only upon confirmation that there is funding available for summer awards. Institutions, current year award recipients and school districts will be advised by the Board of the availability of funds by March 1 of each year. At that time, the Board will distribute copies of the summer application and instructions.

21.1087. Reimbursements.

(a) Source of Funding. The funds used to reimburse institutions or students for awards made through the Educational Aide Exemption program will come from the state's Foundation School Fund and any gifts, grants and donations made to the Texas Education Agency for that purpose.

(b) Requesting Reimbursements. To request reimbursement for student awards, institutions must complete and submit a Request for Reimbursement Form designed and distributed by the Board. Such forms must be submitted to the Board with sufficient documentation (student billing information) to confirm that the requests are being made for authorized charges.

(c) Disbursements by the Board. The Board will process institutional Requests for Reimbursement at least once a month and will subsequently have appropriate amounts transferred to institutions by the State Comptroller's office. Such funds are to be used by the institutions either to reimburse itself (if it exempted the students from the payment of the relevant charges) or to reimburse students for the relevant charges they paid to the institution.

(d) Transfers from the Foundation Program. At least once a year the Board will request a transfer of funds from the foundation school fund for use in reimbursing institutions or students for their Educational Aide Exemption program awards.

21.1088. Exemption from Student Teaching.

An individual who receives a bachelor's degree required for a teaching certificate on the basis of higher education coursework completed while receiving an award through this subchapter shall not be required by his or her institution to participate in any field experience or internship consisting of student teaching as a requirement to receive a teaching certificate.

21.1089. Dissemination of Information and Rules.

The Board is responsible for publishing and disseminating general information and program rules for the program described in this subchapter.